

Exhibit 11

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

THE STATE OF NEW YORK and THE CITY
OF NEW YORK,

Plaintiffs,

-v-

UNITED PARCEL SERVICE, INC.,
Defendant.

15 Civ. 1136 (KBF)

ECF CASE

DECLARATION OF DEBRA BLAUVELT

DEBRA BLAUVELT, under penalty of perjury, declares as follows:

1. I am employed by United Parcel Service, Inc. (“UPS”) as a Night Center Supervisor in UPS’s Olean, New York Center. I have personal knowledge of the facts set forth below, and if called as a witness, I could and would testify under oath to the matters set forth in this declaration.

2. In 2002, I started working at UPS at the Olean Center as an international package clerk but was employed by the temporary employment agency that placed me in that job. After two years, UPS hired me as a Night Center Supervisor at the Olean Center, which is the same position I hold today. This position is a part-time position at UPS; I work daily from 4:00 p.m. until 9:30 p.m.

3. I earned my bachelor’s degree in accounting from St. Bonaventure University in or about 2003. Prior to working for UPS, I worked as a bookkeeper for NAPA auto parts in Olean, New York for approximately six years and before that I stayed home and raised my children.

4. As the Night Center Supervisor, I supervise the operations of the Olean Center during the evening and night hours. UPS utilizes a hub and spoke distribution system whereby packages flow between and among larger transportation “hubs” and smaller “centers.” Once packages are given by a customer to UPS and brought into an “origin” center, they are sorted by destination and then loaded for transportation longer distances as needed between hubs and centers by, for example, tractor trailers, rail, or airplane. Packages are ultimately taken to their “destination” center, where they are sorted and loaded onto package cars (UPS trucks) for ultimate delivery. UPS has hubs and centers across the country, designed to move packages from origin to destination in the most efficient way possible.

5. Since 2010, I have supervised approximately six to eight employees, namely the Local Sorters, a counter package clerk, and an international package clerk.

6. In general, I supervise the transfer of outbound sealed packages to UPS’s hubs where the packages are sorted and transported to their ultimate destinations. Specifically, during the day, UPS drivers in package trucks pick up sealed packages from customer accounts in the geographic area Olean services; the package trucks return to the Olean Center with those picked up sealed packages by approximately 5:00 p.m. each day; the sealed packages are transferred by UPS drivers and UPS employees who hold the title Local Sorters from the package trucks onto a conveyor belt at the Olean Center; Local Sorters divide the sealed packages based on destination state into two tractor trailer trucks; the two tractor trailer trucks are connected together and they leave the Olean Center no later than 7:00 p.m. each day; the tractor trailer truck driver goes first to UPS’s Jamestown, New York Center where the tractor trailer truck bound for UPS’s Pennsylvania Hub is dropped off and then the other tractor trailer truck is driven to UPS’s Buffalo Hub. That same tractor trailer truck driver then drives to UPS’s Syracuse Center where

packages bound for delivery to the geographic area serviced by the Olean Center are loaded onto the tractor trailer and the tractor trailer truck returns to the Olean Center where the sealed packages are unloaded and sorted onto package trucks for delivery during the day.

7. I currently report to full-time Supervisor, Chris Watson. I previously reported to the prior Full-Time Supervisor, Matt Grande until he transferred to another Center in or about 2009. As a Night Center Supervisor, I do not interact with Account Executives or customers who have accounts in the area the Olean Center services and do not accompany drivers on their daily routes.

8. The Olean Center services smoke shops on the Seneca Nation reservation. In or about 2005, UPS changed its Tobacco Policy to provide, among other things, that shippers are not permitted to ship cigarettes to residential addresses. While UPS's Tobacco Policy prohibits the shipment of cigarettes to residential addresses, there is no prohibition on the shipment of other tobacco products, such as little cigars and pipe tobacco, both of which UPS is permitted to ship to a residential (or any) address, provided that the shipper complies with applicable regulations governing such shipments.

9. I also am aware that as part of UPS's Tobacco Policy, shippers who ship tobacco products other than cigarettes to consumers were (and still are) required to sign a document called a Tobacco Agreement acknowledging UPS's Tobacco Policy and agreeing to abide by it, although I do not handle these Tobacco Agreements and have never seen one.

10. I have seen cartons of little cigars and cartons of cigarettes and except for the words on each respective carton, the cartons are identical in shape, size, and weight. There is no way to distinguish on the face of a sealed package between a sealed package that contains cartons of little cigars verses a sealed package that contains cartons of cigarettes.

11. I only recall one instance when a driver, Louis Potter, told me that he suspected a customer was violating UPS Tobacco Policy and shipping cigarettes to residential customers. I informed my supervisor, Chris Watson, about Mr. Potter's suspicion and Mr. Watson informed me that Mr. Potter already had informed him about the shipper and that he had alerted UPS Security. I believe the shipper was Indian Smokes.

12. As part of enforcing UPS's Tobacco Policy, I pay special attention to packages shipped from smoke shops on the Seneca Nation reservation that are bound for residential addresses. There are two UPS drivers whose routes include smoke shops on the reservation. Over the years, I periodically have looked at the labels on the sealed packages unloaded from those package trucks as a spot check of packages from smoke shops addressed to what appear to be a residence. I did not often see any such packages, but can recall a handful of packages from smoke shops that were addressed to a residence. In each such instance, I took the sealed package off the conveyor belt and opened it to ensure that it did not contain cigarettes. I never found any cigarettes in those packages that I randomly opened but instead found little cigars or loose (chewing or pipe) tobacco. As UPS is permitted to ship little cigars and loose tobacco to residential addresses, I re-sealed those packages and they were loaded onto the tractor trailer truck for delivery to the appropriate Hub.

13. As I was not specifically instructed to do a spot check and open the packages, I made no record of and did not photograph the packages that I opened, found little cigars or loose tobacco, and resealed for delivery as described above. I also did not notify my supervisor or UPS Security that I had opened the packages and found little cigars (or loose tobacco), as there was no need to do so because UPS was permitted to ship such tobacco products.

14. As part of my job as Night Center Supervisor, I often talk with the drivers and Local Sorters and those discussions have included UPS's Tobacco Policy.

15. I also give the local sorters their Pre-Morning Communication ("PCM") (given to local sorters at the beginning of their shift at approximately 4:30 p.m. rather than when the PCM is given to UPS drivers at the beginning of their shift at approximately 8:00 a.m.). I periodically have included UPS's Tobacco Policy as part of the PCM that I have given to the local sorters and when a new local sorter is hired, I inform him/her about UPS's Tobacco Policy.

16. Since late summer 2014, there has been a poster on the bulletin board in the main area at the Olean Center reiterating UPS's Tobacco Policy and illustrating warning signs or "red flags" that a package may contain illegal cigarettes.

17. Over the years, I have been asked by my supervisor at the request of UPS Security to conduct audits of specific shippers' packages. For all these audits, I follow the same procedure as set by UPS Security: I look on the conveyor belt for packages from the requested shipper; if I see any such packages, I remove them from the conveyor belt and open them; I photograph the packages, the labels on the packages, and the contents of the packages; and I forward these photographs to UPS Security and await further instructions. As detailed below, these audits only ever have discovered little cigars or other tobacco products and have never discovered cigarettes except for a recent 2016 shipment:

a. On October 8, 2013, at the instruction of UPS Security, I audited a shipper known as Post Smokes. UPS Exhibit DX-220 is a copy of the photographs I took of this audit and forwarded to UPS Security. The audit revealed only little cigars and pipe tobacco; no cigarettes.

b. On January 30, 2014, at the instruction of UPS Security, I audited a shipper known as RJESS. UPS Exhibit DX-264 is a copy of the photographs I took of this audit and forwarded to UPS Security. The audit revealed only little cigars; no cigarettes.

c. In June 2014 for about week, at the instruction of UPS Security, I audited a shipper known as Lake Erie Tobacco. UPS Exhibit DX-366 is a copy of the photographs I took of this audit and forwarded to UPS Security. This audit revealed pipe tobacco, chewing tobacco, and e-cigarettes; no cigarettes.

d. In 2016, at the instruction of UPS Security, I audited a package that was sent from Seneca Manufacturing to a residential address and found cigarettes but the residential address turned out to be the address of a Seneca Manufacturing sales representative so the package was not intended for a residential customer and did not violate UPS's Tobacco Policy. Thereafter, all such packages were addressed to a corporate address to avoid future confusion.

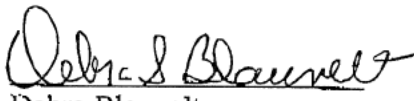
18. Approximately three years ago, my supervisor and I noticed an increase in "on call" packages being picked up on the Seneca Nation reservation. "On call" packages are packages UPS drivers pick up based on a one-time request from a customer who does not have an account number.

19. As part of an effort to enforce UPS's Tobacco Policy, I conducted random audits of some of these on-call packages and the audits sometimes revealed cigarettes. When I found cigarettes, I notified my supervisor and UPS Security and the packages were not delivered. After notifying UPS Security about these incidents, the volume of on-call packages from the reservation decreased significantly. As these were not audits requested by UPS Security, I did not take any photographs or make any record of the audits.

20. I also have audited packages left at third-party drop off sites on or near the Seneca Nation reservation, such as Staples. These audits have also, at times, revealed cigarettes. When I found cigarettes, I notified my supervisor and UPS Security and the packages were not delivered. As these were not audits requested by UPS Security, I did not take any photographs or make any record of the audits.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Dated: Olean, New York
August 24, 2016


Debra Blauvelt